

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance  
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr\_JC-Fi\_Misc\_pt07g\_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.515 / 16.505

14 Day Passive  
Reviews

12/9/97 -

2/9/98

District Attorneys  
12/10/97

# STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

LL1 119 Martin Luther King Blvd.  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315 North, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-2343

## JOINT COMMITTEE ON FINANCE

December 10, 1997

Secretary Mark Bugher  
Department of Administration  
101 East Wilson Street, 10th Floor  
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your December 5, 1997, proposal regarding resolution of funding issues relating to District Attorneys. We believe that the measures outlined are appropriate and necessary to alleviate District Attorneys' concerns regarding funding for the 1997-99 biennium and, therefore, approve the proposal.

Please inform District Attorneys that these measures are being undertaken to ensure that funding will be available to fill all authorized positions. As a result, District Attorneys should be able to fill any vacant positions immediately, as well as the 16.0 new positions which are authorized to start on January 1, 1998.

Thank you for your cooperation in this matter.

A handwritten signature in black ink, appearing to read 'Brian Burke'.

**BRIAN BURKE**  
Senate Chair

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Gard'.

**JOHN GARD**  
Assembly Chair

JG/BB/dh

cc: Members, Joint Committee on Finance

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Phone: 266-2343

## JOINT COMMITTEE ON FINANCE

December 8, 1997

TO: Members  
Joint Committee on Finance

FROM: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair

SUBJECT: Funding for District Attorneys

Attached is a letter which we recently received from Secretary Bugher regarding funding for District Attorneys.

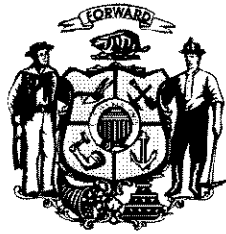
In his letter, Secretary Bugher outlines steps which could be taken to alleviate funding concerns for District Attorneys. These steps have been developed by the Department of Administration and Legislative Fiscal Bureau (see LFB memorandum of November 26).

In order to allow District Attorneys to immediately fill any position vacancies and hire the 16 new positions authorized in the budget, we intend to notify Secretary Bugher of the Committee's approval of the proposed outline in his letter.

If you have any questions or concerns regarding the proposal, please contact our offices by 4:00 p.m., Wednesday, December 10. We will then notify Secretary Bugher and ask him to immediately inform each District Attorney of our action.

cc: Secretary Bugher  
Richard Chandler  
Bob Lang

Attachment



TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

December 5, 1997

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
119 Martin Luther King, Jr. Blvd., Room LL1  
Madison, WI 53702

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
316 North, State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Gard:

I am writing to discuss measures we can collectively take to resolve funding issues regarding District Attorneys. The Administration continues to believe passing legislation (LRB-4122/1 or LRB-4123/1) is the best way to address the budget problems facing District Attorneys this biennium. However, if the Legislature cannot enact such legislation, it is imperative we assure District Attorneys they will have the funding needed to fill authorized positions and carry out their critical prosecutorial work.

In lieu of a separate bill to fund the DA budget, I would propose taking the following steps to resolve this matter:

1. Lapse Requirement -- I have determined that the District Attorneys appropriation is unable to meet the 2% lapse requirement specified under s.9156 (6ng) of 1997 Act 27. Therefore, I propose reallocating the DAs' 2% lapse to one or more other agencies. I will make a specific proposal to reallocate this \$579,200 GPR annual lapse after the state's fiscal picture is clarified in January of 1998. Based on discussions with the Legislative Fiscal Bureau, I expect that the Joint Committee on Finance will cooperate with the reallocation plan.
2. Pay Plan -- Under any scenario the District Attorneys budget is likely to require additional money to fully fund the DAs' pay plan in FY98 and FY99. The exact amount of the shortfall is uncertain, however, because the Assistant District Attorneys' contract has not yet been settled. Further, the state compensation reserve as a whole is expected to be insufficient to fund all state employee compensation increases, requiring some across-the-board

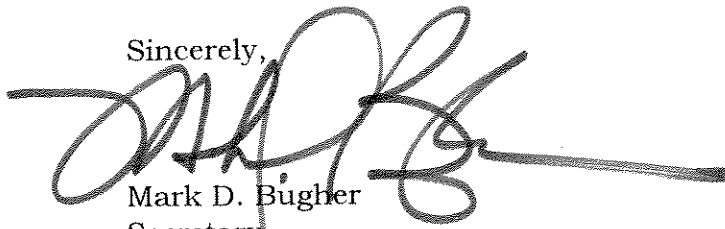
The Honorable Brian Burke  
The Honorable John Gard  
Page 2  
December 5, 1997

proration. At the same time, the exact amount of the proration is unknown because an additional \$20 million may be available in January, depending on a review of the condition of the general fund to be conducted at that time. To provide certainty in the DA salary picture, I propose to administratively provide a pay plan supplement, if needed, to meet DA pay plan costs. I will do this under the assumption we have your concurrence to provide a somewhat smaller pay plan supplement to other GPR agencies, if necessary, than would have occurred in the absence of this proposal.

3. Turnover -- The District Attorneys will absorb, to the extent possible, the turnover taken out of their budget. However, it should be recognized that absorbing this \$163,200 annual turnover reduction will mean turnover savings will not be available to fund the costs of special prosecutors. Consequently, it is likely that a supplemental funding request will be submitted under s.13.10 for special prosecutor costs.

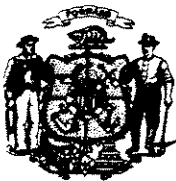
I believe that all parties want to see this matter promptly and satisfactorily resolved. If the Committee concurs with my proposal, the DAs will be assured adequate funding to operate this biennium.

Sincerely,



Mark D. Bugher  
Secretary

cc: Bob Lang, Director  
Legislative Fiscal Bureau



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

November 26, 1997

TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Funding for District Attorneys

Recently, a number of legislative offices have received calls and/or correspondence from District Attorneys regarding the 1997-99 budget and its impact on DA offices.

These concerns were prompted by two memoranda from the Department of Administration to Wisconsin District Attorneys. On October 13, 1997, Secretary Bugher distributed a memorandum (copy attached) which stated that, "the Legislature passed a budget with a funding shortfall for the district attorneys totalling nearly \$3 million over the next biennium." In addition, that memorandum stated that, "It is clear that the shortfall created by the provisions of this budget would necessitate many long-term vacancies and likely require layoffs of some assistant district attorneys."

The second memorandum (copy attached) is dated November 20, 1997. It was written by Mr. Stuart Morse, Director of the State Prosecutors Office. The letter reiterates the points raised by Secretary Bugher and suggests, "the most prudent option available is to defer filling all vacant positions, including all of the new ADA positions created in the 1997-99 State Budget and funded to start in January, 1998."

The administration believes that the budget adopted by the Legislature and signed into law by the Governor (1997 Act 27) leaves the DA's budget underfunded by approximately \$3.0 million. To address this, the administration prepared draft legislation in October. The bill (which was not introduced) would increase costs to the general fund by \$2,933,300 for the following purposes:

	<u>1997-98</u>	<u>1998-99</u>	<u>Total</u>
Delete lapse requirement of Act 27	\$579,200	\$579,200	\$1,158,400
Pay plan increase	515,700	932,800	1,448,500
Restore turnover savings	<u>163,200</u>	<u>163,200</u>	<u>326,400</u>
Total	\$1,258,100	\$1,675,200	\$2,933,300

Along with other members of this office, I have had numerous meetings and conversations with representatives of Assistant District Attorneys and the Department of Administration regarding this matter.

Our analysis of this issue results in three conclusions. First, the issue can be addressed without enactment of legislation. Second, a significant portion of the matter can be addressed by the Joint Committee on Finance or its Co-chairs following a request from the administration. Third, contrary to administration's memoranda, there is no reason for District Attorneys' offices to not fill vacant positions or the 16.0 new positions authorized to begin on January 1, 1998.

Following is a review of the three fiscal issues raised by the administration.

**Lapse Requirement of Act 27.** Under Act 27, lapses totalling \$4,787,700 in 1997-98 and \$4,770,200 in 1998-99 are required of 16 state agencies and programs. Of this amount, \$579,200 annually is budgeted to come from the District Attorneys' appropriation. However, Act 27 further provides that if the Secretary of Administration determines that an agency is unable to reduce expenditures by the amounts required, the Secretary is to submit a plan to the Co-chairs of the Joint Committee on Finance reallocating the reductions among any other state GPR appropriations.

Because the Secretary has already indicated that he does not believe that the DAs will be able to meet the lapse requirements, he could submit a request to the Joint Committee on Finance to exempt the DAs from the lapse provision. While it may not be feasible this early in the fiscal year for the Secretary to identify appropriations to reallocate the DAs' portion of the lapse, the Secretary could indicate that a reallocation plan will be submitted at a later date. The Co-chairs, with the consent of the Committee, could then approve the exemption, with the understanding that a plan to reallocate the lapse would be submitted at a later date. This could be accomplished either through a request to the Co-chairs or at the Committee's s. 13.10 meeting which is scheduled for December 18, 1997.

**Pay Plan Increase.** Under Act 27, GPR compensation reserve funds are expected to fall short of fully funding increases in pay plans for state employees. This is because the administration's contracts and pay plan agreements exceeded amounts contained within the Governor's budget recommendations to fund them. This is not unique to District Attorneys, but impacts all state agencies.

The administration has estimated that \$515,700 is needed in 1997-98 and \$932,800 in 1998-99 to fully fund the DAs' pay plan. However, since the Assistant District Attorneys' contract for 1997-99 has not yet been settled, the actual amount of the shortfall is not yet known. In facing shortfalls in the past, many state agencies have managed through internal budget efficiencies and agency turnover. Because the DA appropriation consists mainly of salaries and fringe benefits for state prosecutors, DAs may not have the ability to absorb such shortfalls to any great extent. However, DOA has flexibility in how the distribution of compensation reserve funding is handled in order to ensure that agencies which do not have the means to absorb the expenditures receive adequate funding. They have exercised this flexibility in the past and presumably will do so in the future. Additionally, the amount of funding that will be available for pay plan adjustments is not yet fully known. A provision of Act 27 indicates that if, in January, revenue estimates are projected to exceed budgeted amounts, up to an additional \$20 million will be available for pay plan purposes. Finally, the amount of pay plan supplement needed by each agency will not be known for several months.

Given these uncertainties (unsettled ADA contract, potential for an additional \$20 million appropriated for the pay plan and unknown agency need), coupled with the administration's flexibility in administering pay plan amounts, the necessity for legislation is at best premature.

**Turnover.** Act 27 includes a turnover savings reduction of \$163,200 annually, which represents one-half of one percent of the DAs' salaries and fringe benefits appropriation. This can be compared to other state agencies which generally have three percent turnover savings requirements. Over the last four years, this appropriation has generated an average of \$203,900 in annual lapses to the general fund. Therefore, if the lapse requirement and the pay plan supplement issues are resolved, the turnover requirement should be realized. However, if for some reason this cannot be met, the DAs could submit requests for supplemental funding under s. 13.10 in June of 1998 and/or 1999.

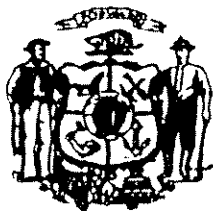
In summary, concerns regarding the DAs' budget can reasonably be addressed by DOA and the Joint Committee on Finance, without separate legislation, which would ensure that DAs have the resources to fully fund the current level of state prosecutors, in addition to filling the 16.0 additional assistant district attorney positions, as authorized under Act 27.

BL/lah  
Attachments

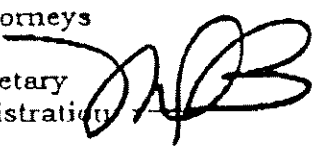
cc: Senators Chvala, Risser and Ellis  
Representatives Jensen, Foti and Kunicki  
Members, Joint Committee on Finance  
Secretary Bugher  
Richard Chandler  
Stuart Morse

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY



Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864

**Date:** October 13, 1997  
**To:** Wisconsin District Attorneys  
**From:** Mark D. Bugher, Secretary  
Department of Administration   
**Subject:** Impact of the 1997-99 Budget

As you know, the 1997-99 biennial budget bill adopted by the Legislature contains significant funding reductions for district attorneys. By requiring a 2% base budget cut, a reduction for turnover and removing an additional \$20 million dedicated to the state's compensation reserve fund, the Legislature passed a budget with a funding shortfall for the district attorneys totaling nearly \$3 million over the biennium.

By passing a budget that creates a major shortfall for district attorneys, the Legislature has put Governor Thompson in a difficult position. Once we reviewed the details of the budget, we determined that any action through the use of the Governor's veto authority would have solved, at best, only a portion of the funding problems. Therefore, now that the budget is signed, the Governor and I will be working to introduce separate legislation to restore these cuts made to the district attorney program. It is important to understand that this legislation will be narrow in scope in that it will be limited to restoring only the reductions made by the Legislature. The Governor will not support the use of this legislation as a vehicle to add positions beyond those provided in the budget.

It is clear that the shortfall created by the provisions of this budget would necessitate many long-term vacancies and likely require layoffs of some assistant district attorneys. The burden this budget places on district attorneys and their ability to protect our communities is unacceptable and the Governor intends to address the situation as quickly as possible.

Thank you for the opportunity to bring you up to date on this matter.

cc: Governor Tommy G. Thompson  
Richard G. Chandler, State Budget Director

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY



Mailing Address:  
Post Office Box 7869  
Madison, WI 53707-7869

STATE PROSECUTORS OFFICE  
Telephone No. (608) 267-2700

MEMORANDUM/CORRESPONDENCE  
FAX (608) 264-9500

SPO 97-67

DATE: November 20, 1997  
TO: District Attorneys  
FROM: Stuart Morse, Director S.M.  
State Prosecutors Office  
SUBJ: Fiscal Issues

I am writing to clarify the current status of fiscal issues facing you and other district attorneys. As you know, the funding limitations created by the 1997-99 State Budget (1997 Act 27) are very real and can only be resolved through subsequent legislative action. I know the Secretary of Administration Mark D. Bugher appreciates the thoughtful input many of you have offered on this problem and that he is working with legislative leadership to resolve it, hopefully as early as January 1998.

In the meantime, the most prudent option available is to defer filling all vacant positions, including all of the new ADA positions created in the 1997-99 State Budget and funded to start in January 1998. If your office faces an emergency situation, please contact me directly so we can explore possible alternatives.

Secretary Bugher and I recognize the hardships this creates. With your help, we will continue to do all we can to achieve a legislative solution.

KT